

Message Text

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PAGE 01 MANILA 10703 211116Z

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03 /028 W

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FM AMEMBASSY MANILA
TO SECSTATE WASHDC 7774

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E.O. 11652: NA
TAGS: EAIR, RP
SUBJECT: CIVAIR OPEN SKIES -- PHILCAB HOLDS HEARINGS ON
APPLICATIONS

REF: A. MANILA 10199, B. STATE 178314

1. PHILCAB HELD HEARING JULY 20 ON APPLICATIONS BY PANAM FOR
ADDITIONAL FREQUENCIES PLUS RIGHTS TO HONG KONG AND SINGAPORE,
BY NORTHWEST FOR ADDITIONAL FREQUENCIES PLUS TAIPEI RIGHTS,
AND BY FLYING TIGER FOR SUBSTITUTION OF 747 FOR DC-8 ON ITS
CARGO FREQUENCIES. AS EXPECTED, PAL REGISTERED STRONG OB-
JECTIONS BUT SURPRISINGLY BASED ITS COMPLAINTS ON PANAM'S
OPPOSITION TO THE BALIKBAYAN FARE BEFORE THE USCAB.

2. FYI. PAL HAD BEEN MOUNTING A PRESS CAMPAIGN AGAINST
PANAM FOR ITS OPPOSITION TO THE BALIKBAYAN FARE (IN FEBRUARY AND
DECEMBER OF 1974). PANAM MANAGER ATTEMPTED ONE PRESS RELEASE
IN REPLY WHICH PROVIDED PAL WITH OPPORTUNITY OF FURNISHING
ONE AND ALL WITH XEROX COPIES OF PANAM'S ORIGINAL
OBJECTIONS FILED WITH THE USCAB. CURRENT PANAM POSTURE,
ACCORDING TO LATEST TELEX FROM HEAD OFFICE, IS "TO EXHIBIT
NEUTRALITY." NORTHWEST WAS ABLE TO STATE AT THE HEAR-
ING THAT IT NOT ONLY DOES NOT OPPOSE THE BALIKBAYAN FARE BUT
USES IT. END FYI.

3. AT HEARING PANAM REITERATED ITS ESTIMATES THAT IT
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PAGE 02 MANILA 10703 211116Z

EXPECTS TO BRING INTO THE PHILIPPINES 2,500 ADDITIONAL

TOURISTS IN 1976 AND 12,000 IN 1977. NORTHWEST SAID IT WOULD BRING IN ADDITIONAL 13,300 IN 1977. PAL STRONGLY CONTESTED PANAM ESTIMATES, BUT OBJECTED LESS STRENUOUSLY TO NORTHWEST FIGURE.

4. PRIOR TO HEARING GENERAL SINGSON CALLED A PRIVATE MEETING WITH PAL, PANAM AND NORTHWEST REPRESENTATIVES DURING WHICH HE PROPOSED THAT THE U.S. AIRLINES REGISTER NO OBJECTIONS TO PAL'S REQUEST FOR GUAM AND LOS ANGELES IN RETURN FOR APPROVAL OF THEIR CURRENT APPLICATIONS WITH PHILCAB. BOTH PANAM AND NORTHWEST SAID THEY COULD NOT SPEAK FOR THEIR CORPORATE HEADQUARTERS, WHILE PANAM STATED IT WAS MATTER FOR USG AND ADDED GRATUITOUSLY THAT USCAB DOES THE OPPOSITE OF WHAT PANAM ASKS (E.G., IN SAIPAN CASE). MATTER WAS DROPPED BY GENERAL SINGSON (WHO, INCIDENTALLY WILL BE IN WASHINGTON NEXT WEEK AND MAY CONTACT USCAB ON PROPOSAL).

5. HEARING WAS ADJOURNED WITH PHILCAB REQUESTING EACH AIRLINE TO FILE WRITTEN STATEMENT BY JULY 22, PROVIDING INFORMATION ON ITS STAND ON THE BALIKBAYAN FARE, PROPOSED EXPENDITURES IN PROMOTING THE PHILIPPINES, AND ADDITIONAL STATISTICS ON 1974 AND 1975 ARRIVALS. THEREAFTER, PHILCAB WILL FORMULATE ITS RECOMMENDATIONS TO THE PRESIDENT FOR APPROVAL.

6. COMMENT. IT WAS THE IMPRESSION OF U.S. AIRLINE REPS THAT SECRETARY ASPIRAS HAS GIVEN A GO-AHEAD SIGNAL TO PHILCAB TO PASS FAVORABLY ON THE APPLICATIONS BY PANAM AND NORTHWEST. WHAT FORM OR DIRECTION THE RECOMMENDATIONS, PARTICULARLY ON TRAFFIC RIGHTS, MAY TAKE IS THE BIG QUESTION MARK. THE PHILCAB HEARING WAS APPARENTLY DESIGNED TO PERMIT PAL AN OPPORTUNITY TO REGISTER ITS OBJECTIONS IN ACCORDANCE WITH ESTABLISHED PROCEDURES. FLYING TIGER APPLICATION, HOWEVER, APPARENTLY WILL BE DEFERRED, ACCORDING TO WHAT FT MANAGER FAUSTINO PICKED UP AFTER THE PHILCAB HEARING. PAL STATED IT HAS FILED WITH USCAB AN APPLICATION FOR AN ALL-CARGO FREQUENCY, AND PHILCAB IS SEEKING CONFIRMATION OF THIS CLAIM. WOULD APPRECIATE DEPARTMENT LOOK-LIMITED OFFICIAL USE

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PAGE 03 MANILA 10703 211116Z

ING INTO THIS PAL STATEMENT.
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Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Authority: greeneet
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